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Message Text

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PAGE 01 MEXICO 13719 212246Z
ACTION EB-08

INFO OCT-01 ARA-10 IO-13 ISO-00 AGRE-00 CIAE-00
COME-00 INR-10 LAB-04 NSAE-00 SP-02 STR-07
TRSE-00 FRB-03 OMB-01 L-03 NSC-05 SS-15 /082 W
----------069623 220519Z /23
R 212239Z AUG 78
FM AMEMBASSY MEXICO
TO SECSTATE WASHDC 2158
INFO USMISSION GENEVA

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E.O. 11652: N/A
TAGS: EPAP, MX
SUBJECT: TEXTILE NEGOTIATIONS

REF: MEXICO 13644

1. REFTEL REPORTED E/C COUNSELOR'S AUGUST 18 DISCUSSION OF STALLED BILATERAL TEXTILE NEGOTIATIONS WITH GOM COMMERCE SUBSECRETARY HECTOR HERNANDEZ. LATE THAT SAME AFTERNOON GARRIDO CALLED EMBOFF WHO PARTICIPATED IN COUNSELOR'S MEETING WITH HERNANDEZ AND ARRANGED AUGUST 21 MEETING TO DISCUSS TEXTILE NEGOTIATIONS.

2. AT AUGUST 21 MEETING, GARRIDO INFORMED EMBOFF HE WISHED TO KEEP HIS SEPTEMBER SCHEDULE OPEN FOR SCHEDULED MEETINGS IN GENEVA AND FOR HERNANDEZ' WASHINGTON MEETING WITH STR AMBASSADOR WOLFE. GARRIDO TENTATIVELY AGREED TO WEEK OF OCTOBER 9 FOR RESUMPTION OF BILATERAL TEXTILE NEGOTIATIONS. RE SITE OF RESUMED NEGOTIATIONS, GARRIDO SAID HE PREFERRED WASHINGTON TO MEXICO CITY, BUT ONLY IF SMITH COULD GUARANTEE HIS PRESENCE AT NEGOTIATING SESSIONS "AT LEAST DURING NORMAL WORKING HOURS." IF SMITH UNABLE TO DO THIS, GARRIDO FELT INTERMEDIATE LOCATION BETWEEN
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PAGE 02 MEXICO 13719 212246Z

WASHINGTON AND MEXICO CITY MIGHT BE CHOSEN FOR NEGOTIATIONS.

3. RE SUBSTANCE OF NEGOTIATIONS, GARRIDO REITERATED HERNANDEZ' POSITIVE REMARKS OF AUGUST 21 TO E/C COUNSELOR. GARRIDO AGREED WITH EMBOFF'S CHARACTERIZATION OF GOM POSITION IN PREVIOUS NEGOTIATIONS AS ONE LACKING

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

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FLEXIBILITY, AND STATED THIS WAS DUE TO SEVERE PRESSURE
ON GOM TEXTILE DELEGATION BY MEXICAN MAQUILADORA (IN-BOND
ASSEMBLY) INDUSTRY. GARRIDO SAID GOM HAS BEEN MEETING
WITH MAQUILADORA INDUSTRY SINCE LAST BILATERAL NEGOTIATING
SESSIONS IN AN EFFORT TO GET INDUSTRY TO BE MORE FLEXIBLE
IN ITS POSITIONS, AND EXPRESSED HOPES THAT GOM EFFORTS
WOULD BE SUCCESSFUL. HOWEVER, HE WARNED THAT GOM WAS
UNABLE TO "PRESSURE" MAQUILADORAS INTO ADOPTING MORE
FLEXIBLE STAND, SINCE THIS WOULD RESULT IN MAQUILADORAS
TAKING THEIR CASE TO THE PRESS, WITH STORIES OF US-
INDUCED EMPLOYMENT CUTBACKS IN NORTHERN BORDER
CITIES AS RESULT OF GOM "SELLING OUT" TO US ON TEXTILES.
4. DURING DISCUSSION, GARRIDO SAID HE FELT OVERALL GOM
POSITION WAS NOT ALL THAT "UNREASONABLE". HE NOTED THAT
BOTH SIDES WERE "ONLY" ABOUT 40 MILLION SYE OFF, AND SAID
THIS WAS A SMALL AMOUNT WHEN MEASURED AGAINST THE BIL-
LIONS OF SYE COMPRISING ALL US BILATERAL AGREEMENTS.
IN REPLY, EMBOFF NOTED US WAS NOT NEGOTIATING A GLOBAL
AGREEMENT, BUT A BILATERAL WITH MEXICO, IN WHICH 40 MIL-
LION SYE LOOMED VERY LARGE INDEED. HE ALSO REMINDED
GARRIDO THAT AS WAS THE CASE WITH GOM AND MEXICAN TEXTILE
INDUSTRY, USG ALSO WAS SUBJECT TO SEVERE PRESSURES FROM
US TEXTILE INDUSTRY AND LABOR UNIONS ON TEXTILE IMPORTS.

5. ACTION REQUESTED: EMBASSY WOULD APPRECIATE DEPART-
MENT'S CONFIRMATION OF OCTOBER 9 RESUMPTION OF BILATERAL
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PAGE 03 MEXICO 13719 212246Z

NEGOTIATIONS. WOULD ALSO APPRECIATE DEPARTMENT'S VIEWS
ON LOCATION OF NEGOTIATIONS.
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Message Attributes

Automatic Decaptioning: X
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Control Number: n/a
Copy: SINGLE
Draft Date: 21 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
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Disposition Case Number: n/a
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Subject: TEXTILE NEGOTIATIONS
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20 Mar 2014
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